

# INVITATION FOR BIDS

## Revenue Bond Accounting & Auditing Services



IFB # 600-10-609  
[www.energy.state.ca.gov/contracts](http://www.energy.state.ca.gov/contracts)  
State of California  
California Energy Commission  
January 2011

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- 1 Bidder Checklist
- 2 Bidder Certification
- 3 Contractor Status Form
- 4 Darfur Contracting Act
- 5.1 Certified Small/micro Business, Non-small Business and  
DVBE Instructions and Information
- 5.2 Disabled Veteran Business Enterprise (DVBE) Program Requirements
- 5.3 DVBE Std. 843
- 5.4 Bidder Declaration form GSPD-05-105
- 6 Contractor Certification Clauses
- 7 Budget Forms
- 8 Sample Standard Agreement
- 9 Target Area Contract Preference Act (TACPA) Request
- 10 Enterprise Zone Act (EZA) Preference Request
- 11 Local Agency Military Base Recovery Area (LAMBRA) Preference  
Request

## I. Introduction

### BACKGROUND

The Energy Efficiency Master Trust Revenue Bonds include Series 2003A (dated April 10, 2003), and Series 2005A (dated April 27, 2005). Each bond is supported by repayments from pledged loans from the Energy Commission Loan program for public agencies. The list of loans, repayment schedule, debt coverage requirement and other pertinent information for each of these bond issues, (2003A and 2005A) is available in the Official Statements for each of these bond issues. Loan payments used in support of the bonds are made semi-annually in June and December of each year to the Energy Commission and will include unscheduled loan payments. The Revenue Bond Official Statements, Bond Indentures, Restated and Amended Master Trust (covering both Bond Issues), Secured Loan Agreements, and Continuing Disclosure Agreements provide specific details of the structure of the bonds and the associated parties.

Auditing requirements are listed below under the Continuing Disclosure Agreement and the Secured Loan Agreement descriptions for each series. This is a very complicated bond structure where the Energy Commission has hired a private sector Bond Trustee, the Bank of New York (BNY), and has invested bond sub-accounts in Guaranteed Investment Contracts and Repurchase Agreements at specified interest rates. Both the 2003A and 2005A bonds have individual Debt Service Reserve Accounts maintained to equal a minimum of 20 percent of the outstanding balance of each bond issue.

### PURPOSE OF IFB

To obtain an experienced contractor to complete annual audits for each bond issue (2003A and 2005A), for three consecutive years (FY 2010-11, FY 2011-12, and FY 2012-13) as required by the Secured Loan Agreements and the Continuing Disclosure Agreements from the Energy Efficiency Master Trust Revenue Bonds including Series 2003A (dated April 10, 2003) and Series 2005A (dated April 27, 2005).

### KEY ACTIVITIES AND DATES

Key activities and times for IFB are presented below. This is a tentative schedule; please call the Contracts Office at (916) 654-4392 to confirm dates.

ACTIVITY	ACTION DATE
IFB Release	January 26, 2011
Deadline to Submit Questions	February 1, 2011
Distribute Questions and Answers Addendum	February 7, 2011
<b>Deadline to Submit Bid by 3:00 p.m.</b>	<b>February 15, 2011</b>
Public Bid Opening	February 16, 2011
Notice of Proposed Award	February 17, 2011
Commission Business Meeting	April 6, 2011
Contract Start Date	May 2, 2011
Contract Termination Date	December 31, 2013

## **I. INTRODUCTION, CONTINUED**

### **AVAILABLE FUNDING**

There is \$150,000 available for the contract resulting from this IFB. This is an hourly rate plus cost reimbursement contract and the award will be made to the responsible Bidder providing the lowest cost.

### **QUESTIONS**

During the IFB process, questions of clarification about this IFB must be directed to the Contracts Officer listed in the following section.

Potential Bidders shall carefully examine the qualifications and specifications of this IFB and may submit written questions via mail, electronic mail, and by FAX.

Any verbal communication with a Commission employee concerning this IFB is not binding on the State and shall in no way alter a specification, term, or condition of the IFB.

### **CONTACT INFORMATION**

Sherri Bower, Contracts Officer  
California Energy Commission  
1516 Ninth Street, MS-18  
Sacramento, California 95814  
Telephone: (916) 654-7093  
FAX: (916) 654-4423  
E-mail: sbower@energy.state.ca.us

### **RESPONSES TO THIS IFB**

Responses to this solicitation shall be in the form of an Administrative Response and a sealed and formal Cost Bid using Attachment 7, Budget Forms, according to the format described in this IFB. The Cost Bid shall detail the Bidder's budget to perform the tasks outlined in the Scope of Work.

### **REFERENCE DOCUMENTS**

Bidders responding to this IFB may want to familiarize themselves with the following documents for both bond issues 2003A and 2005A:

- Master Trust Agreements
- Bond Indentures
- Secured Loan Agreements
- Tax Certificates
- Most recent Bond Audit

All above reference documents are available online at:

<http://www.energy.ca.gov/efficiency/revenuebonds/>

## **II. Scope of Work and Deliverables**

### **ABOUT THIS SECTION**

This section describes the contract scope of work, deliverables and due dates under the direction of the Commission Contract Manager (CCM).

### **BACKGROUND**

The Energy Efficiency Master Trust Revenue Bonds include Series 2003A (dated April 10, 2003), and Series 2005A (dated April 27, 2005). Each bond is supported by repayments from pledged loans from the Energy Commission Loan program for public agencies. The list of loans, repayment schedule, debt coverage requirement and other pertinent information for each of these bond issues, (2003A and 2005A) is available in the Official Statements for each of these bond issues. Loan payments used in support of the bonds are made semi-annually in June and December of each year to the Energy Commission and will include unscheduled loan payments. The Revenue Bond Official Statements, Bond Indentures, Restated and Amended Master Trust (covering both Bond Issues), Secured Loan Agreements, and Continuing Disclosure Agreements provide specific details of the structure of the bonds and the associated parties.

Auditing requirements are listed below under the Continuing Disclosure Agreement and the Secured Loan Agreement descriptions for each series. This is a very complicated bond structure where the Energy Commission has hired a private sector Bond Trustee, the Bank of New York (BNY), and has invested bond sub-accounts in Guaranteed Investment Contracts and Repurchase Agreements at specified interest rates. Both the 2003A and 2005A bonds have individual Debt Service Reserve Accounts maintained to equal a minimum of 20 percent of the outstanding balance of each bond issue.

The contractor will complete annual audits for each bond issue (2003A and 2005A), for three consecutive Fiscal years (FY) (FY 2010-11, FY 2011-12, and FY 2012-13) as required by the Secured Loan Agreements and the Continuing Disclosure Agreements. The audits will report the statements of all dealings, transactions, all funds, accounts and sub-accounts established in relation to the 2003A and 2005A Energy Efficiency Tax Exempt Revenue Bonds. The contractor will use auditing standards and accounting principles generally accepted in the United States, as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board as a guide for the level of audit required by all parties to the Bond Issues and as stated in the bond documents.

## **II. SCOPE OF WORK AND DELIVERABLES** CONTINUED

### **TECHNICAL TASKS:**

#### **Task 1 – 2010/11 Fiscal Year Audit for 2003A Bond Issue and 2005A Bond Issue**

#### **Task 2 – 2011/12 Fiscal Year Audit for 2003A Bond Issue and 2005A Bond Issue**

#### **Task 3 – 2012/13 Fiscal Year Audit for 2003A Bond Issue and 2005A Bond Issue**

The following detail applies to Task 1, Task 2 and Task 3. Each Fiscal Year being audited has been identified as a separate task for contract budget purposes.

The contractor shall submit the final annual audits on or before October 15th each year. Each audit will cover the preceding fiscal year, with the first audit period beginning July 1, 2010 through June 30, 2011. The annual audits will be included in the Energy Commission's annual Continuing Disclosure Report that will be submitted to the Bond Trustee (BNY), as dissemination agent each year. The audits are a key part of this report and will be delivered to the appropriate banking repositories by the dissemination agent. The audits will be delivered to the State Controller's Office.

As part of each annual audit, the contractor shall:

1. Review the Bond documents and related agreements to understand the fund structure and the transactional changes that have occurred since the previous year's audit was conducted,
2. Provide an independent review of the Program Loan Account, Loan Repayment Account, Debt Service Account, Surplus Repayments Account, Debt Service Reserve Account, Master Reserve Account, and the Administrative Expense Fund. Contractor will ensure that any funds scheduled for debt service payment are segregated and identified and interest on the funds and accounts pledged in support of the bonds are being properly tracked, reported and accounted for, including prepayments,
3. Provide a determination of whether the Energy Commission accounting and reporting procedures meet the requirements as set forth in the Bond documents and Continuing Disclosure Agreements,
4. Be available during the course of the contract for audit related questions of the parties to the bonds (Borrower, Issuer, Trustee, Financial Advisors, etc.), provide recommendations to the Energy Commission on procedures to improve and insure quality control of all accounts and sub-accounts pledged in support of the bonds, and provide other related duties to assist the Energy Commission in its management of the Bond Program and its compliance with the legal requirements of the Bond documents.

## **II. SCOPE OF WORK AND DELIVERABLES CONTINUED**

The contractor shall submit a draft audit to the contract manager for review and approval. Upon approval, the contractor shall submit a final annual audit.

### **DELIVERABLES AND DUE DATES**

<u><b>Task</b></u>	<u><b>Deliverables</b></u>	<u><b>Draft Due Date</b></u>	<u><b>Final Due Date</b></u>
1 – FY 2010/11 Audits	2003A Bond Issue	9/30/11	10/14/11
	2005A Bond Issue	9/30/11	10/14/11
2 – FY 2011/12 Audits	2003A Bond Issue	10/1/12	10/15/12
	2005A Bond Issue	10/1/12	10/15/12
3 – FY 2012/13 Audits	2003A Bond Issue	10/1/13	10/15/13
	2005A Bond Issue	10/1/13	10/15/13

The Department of Finance reserves the right to review the contractor's audit reports, management letters, and working papers related to the contracted audit.

### **REFERENCE INFORMATION: BOND DOCUMENTS**

The following information is contained in the Continuing Disclosure Agreements and the Secured Loan Agreements and is included below to assist contractor in understanding the legal requirements of the Energy Commission in reporting accurate financial information to bond holders annually. The 2005A bond issue Master Trust is restated and amended and includes the 2003A bond issue agreements. The 2003A bond issue information is listed below for information.

#### **2005A BOND ISSUE**

**2005A SECURED LOAN AGREEMENT, SECTION 5.5 BOOKS AND RECORDS; AUDITS.** The Energy Commission shall maintain, until the end of the sixth year after any 2005A Bond is Outstanding, separate and apart from all other records and accounts, proper books, records and accounts in which complete and correct entries will be made of all dealings and transactions in relation to 2005A Program Loans and all funds and accounts established hereunder or under the 2005A Bond Indenture. Such accounts shall show the amount of 2005A Program Loan Repayments or other amounts received with respect to each 2005A Program Loan and the date of each remittance of such amounts to the Trustee. These books shall be kept by the Energy Commission according to generally accepted accounting principles and standard accounting practices as applicable.

The Energy Commission's books, records and accounts for the 2005A Program Loans and all funds and accounts established hereunder or under the 2005A Bond Indenture



## **II. SCOPE OF WORK AND DELIVERABLES CONTINUED**

shall be audited in accordance with auditing standards and accounting principles generally accepted in the United States, as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board at least annually by independent certified public accountants selected by the Energy Commission. A copy of each audit report, including statements of net assets, activities and cash flow, and notes to financial statements, shall be filed with the Issuer and the Trustee as soon as they become available, but in no event later than 9 months after the close of the Energy Commission's fiscal year and sent to any 2005A Owner filing with the Energy Commission a written request therefore.

\* \* \*

### **2005A SECURED LOAN AGREEMENT, SECTION 5.6 CONTINUING DISCLOSURE.**

Under the Continuing Disclosure Agreement between the Energy Commission and the Trustee, as Dissemination Agent, or other dissemination agent acceptable to the Issuer and the Energy Commission, the Energy Commission has undertaken responsibility for compliance with continuing disclosure requirements with respect to Securities and Exchange Commission Rule 15c2-12. Information pertaining to the Issuer, as conduit Issuer of the 2005A Bonds, is not subject to continuing disclosure obligations. The Energy Commission hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement.

Furthermore, the Energy Commission covenants and agrees that, if at the time of any release, addition or modification of a 2005A Program Loan pursuant to Section 3.8 hereof, any Borrower's aggregate Program Loans represent more than 10% of the aggregate principal amount of all Program Loans pledged as Collateral to any Series of Bonds, then such a Borrower will be a "Material Participant" for purposes of this 2005A Secured Loan Agreement and an "Obligated Person" within the meaning of Securities and Exchange Commission Rule 15c2-12, and as such will be required to execute and file with the Energy Commission a continuing disclosure agreement, with the Trustee as dissemination agent, or other dissemination agent acceptable to the Issuer and the Energy Commission, under which such Material Participant will be required to file annual reports containing required financial and operating information and notices of certain events on an ongoing basis in accordance with Securities and Exchange Commission Rule 15c2-12, so long as such Borrower remains a Material Participant.

**2005A CONTINUING DISCLOSURE AGREEMENT, SECTION 4(A)(I):** The Annual Report shall contain...The Audit report of the Energy Commission's books, records and accounts for the 2005A Program Loans and all funds and accounts established under the 2005A Bond Indenture and the 2005A Secured Loan Agreement as of and for the fiscal year most recently ended of the Energy Commission, prepared in accordance with Section 5.5 of the 2005A Secured Loan Agreement and with auditing standards and accounting principles generally accepted in the United States as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board....

## **II. SCOPE OF WORK AND DELIVERABLES CONTINUED**

### **2003A BOND ISSUE**

#### **AMENDED AND RESTATED 2003A SECURED LOAN AGREEMENT, SECTION 5.5**

**BOOKS AND RECORDS; AUDITS.** The Energy Commission shall maintain, until the end of the sixth year after any 2003A Bond is Outstanding, separate and apart from all other records and accounts, proper books, records and accounts in which complete and correct entries will be made of all dealings and transactions in relation to 2003A Program Loans and all funds and accounts established hereunder or under the 2003A Bond Indenture. Such accounts shall show the amount of 2003A Program Loan Repayments or other amounts received with respect to each 2003A Program Loan and the date of each remittance of such amounts to the Trustee. These books shall be kept by the Energy Commission according to generally accepted accounting principles and standard accounting practices as applicable.

The Energy Commission's books, records and accounts for the 2003A Program Loans and all funds and accounts established hereunder or under the 2003A Bond Indenture shall be audited in accordance with auditing standards and accounting principles generally accepted in the United States, as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board at least annually by independent certified public accountants selected by the Energy Commission. A copy of each audit report, including statements of net assets, activities and cash flow, and notes to financial statements, shall be filed with the Issuer and the Trustee as soon as they become available, but in no event later than 9 months after the close of the Energy Commission's fiscal year and sent to any 2003A Owner filing with the Energy Commission a written request therefore.

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#### **AMENDED AND RESTATED 2003A SECURED LOAN AGREEMENT, SECTION 5.6**

**CONTINUING DISCLOSURE.** Under the Continuing Disclosure Agreement between the Energy Commission and the Trustee, as Dissemination Agent, or other dissemination agent acceptable to the Issuer and the Energy Commission, the Energy Commission has undertaken responsibility for compliance with continuing disclosure requirements with respect to Securities and Exchange Commission Rule 15c2-12. Information pertaining to the Issuer, as conduit issuer of the 2003A Bonds, is not subject to continuing disclosure obligations. The Energy Commission hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement.

Furthermore, the Energy Commission covenants and agrees that, if at the time of any release, substitution or replacement of a 2003A Program Loan pursuant to Section 3.8 hereof, (1) any 2003A Borrower shall be obligated to make aggregate debt service payments on its 2003A Program Loans in an amount equal to 10% or more of the aggregate annual debt service on the 2003A Bonds, or (2) if any 2003A Borrower's aggregate 2003A Program Loans represent more than 10% of the aggregate principal amount of all 2003A Program Loans pledged as Collateral to any Series of Bonds, then such a 2003A Borrower will be a "Material Participant" for purposes of this Secured

## **II. SCOPE OF WORK AND DELIVERABLES** CONTINUED

Loan Agreement and an “Obligated Person” within the meaning of Securities and Exchange Commission Rule 15c2-12, and as such will be required to execute and file with the Energy Commission a continuing disclosure agreement, with the Trustee as dissemination agent, or other dissemination agent acceptable to the Issuer and the Energy Commission, under which such Material Participant will be required to file annual reports containing required financial and operating information and notices of certain events on an ongoing basis in accordance with Securities and Exchange Commission Rule 15c2-12, so long as such 2003A Borrower remains a Material Participant.

**Amended and Restated 2003A Continuing Disclosure Agreement, Section 4(a)(i):**  
The Annual Report shall contain...The audit report of the Energy Commission for the 2003A Program Loans as they then exist as of the end of the fiscal year most recently ended, prepared in accordance with Section 5.5 of the Amended and Restated 2003A Secured Loan Agreement and with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

### **III. Evaluation Process and Criteria**

#### **ABOUT THIS SECTION**

This section explains how the Bid will be evaluated. It describes the evaluation stages, preference points, and opening of all Bids.

#### **BID EVALUATION**

The Contract will be awarded to the Bidder who meets the minimum qualifications and has the lowest responsible Cost Bid after the preferences (if applicable) are applied.

The Bids will be analyzed in two stages:

##### **Stage One: Administrative and Completeness Screening**

Each Bid will be checked for the presence or absence of required information in conformance with Bid Format and Required Documents (see section IV). The Energy Commission will evaluate each Bid to determine its responsiveness to these requirements.

##### **Stage Two: Cost Bid**

Those Bids that are responsive to the criteria in Stage One will have their Cost Bid opened. All preferences will be applied, if applicable. The contract will be awarded to the responsible Bidder meeting the requirements outlined in Stage One, who provides the lowest cost, after application of preferences.

#### **NOTICE OF PROPOSED AWARD**

Subsequent to the Bid evaluations, the Energy Commission will post a Notice of Proposed Award (NOPA) at the Commission's headquarters in Sacramento, on the Commission's Web Site, and will mail the NOPA to all parties that submitted a Bid.

#### **PREFERENCE POINTS**

A Bidder may qualify for preference points such as Small/Micro Small Business, Non-Small Business, and Disabled Veteran Business Enterprises (DVBE) Incentive. Each qualifying Bidder passing Stage One screening will receive the applicable preference points.

##### **Small / Microbusiness**

Bidders who qualify as a State of California certified small/microbusiness will receive a cost preference of five percent (5%) of the lowest cost or price offered by the lowest responsible Bidder who is not a certified small/microbusiness, by deducting this five percent from the small/microbusiness Bidder's cost, for the purpose of comparing costs for all Bidders. See Attachment 5.1 for more detailed information.

### **III. EVALUATION PROCESS AND CRITERIA CONTINUED**

#### **Non-Small Business**

The preference to a non-small business Bidder that commits to small business or microbusiness subcontractor participation of twenty-five percent (25%) of its net Bid price shall be five percent (5%) of the lowest responsible Bidder's price. A non-small business which qualifies for this preference may not take an award away from a certified small business. See Attachment 5.1 for more detailed information.

#### **Disabled Veteran Business Enterprise Incentive Program**

The DVBE Incentive program was established pursuant to Military & Veterans Code Section 999.5(2) and Department of General Services' Regulations 2 CCR 1896.98 et seq. The information in Attachment 5.1 explains how the incentive is applied and how much of an incentive will be given.

#### **Target Area Contract Preference Request**

The Target Area Contract Preference Act (Government Code Section 4530 et seq.) provides five percent (5%) preference points to California-based companies that perform state contract work in a distressed area. Bidders should complete IFB Attachment 9 if they qualify for this preference. If you have further questions or need additional information on this matter, please contact TACPA/LAMBRA Preference Program Group at (916) 375-4609.

#### **Enterprise Zone Request**

The Enterprise Zone Act (Government Code Section 7070, et seq.) provides preference points as an incentive for business and job development in distressed and declining areas of the State. Bidders should review IFB Attachment 10 to determine if they qualify for this incentive. If you have further questions or need additional information on this matter, please contact TACPA/LAMBRA Preference Program Group at (916) 375-4609.

#### **Local Agency Military Base Recovery Act**

The Local Agency Military Base Recovery Act (LAMBRA, Government Code Section 7118, et seq.) provides five percent (5%) preference points to California-based companies that perform State contract work in the LAMBRA. Bidders should review IFB Attachment 11 to determine if they qualify for this preference. If you have further questions or need additional information on this matter, please contact TACPA/LAMBRA Preference Program Group at (916) 375-4609.

## **IV. Bid Format, Required Documents, and Delivery**

### **ABOUT THIS SECTION**

This section contains the format requirements and instructions on how to submit a Bid in response to this IFB. The format is prescribed to assist the Bidder in meeting State bidding requirements. Bidders must follow all Bid format instructions, answer all questions, and supply all requested data.

### **MINIMUM QUALIFICATIONS**

By signing the Bidder Certification, Attachment 2, Bidder will certify all of the qualifications below.

1. The company is currently providing auditing services to a minimum of 5 governmental agency bond issues, for the purpose of meeting continuing disclosure requirements, at least one of which must be a California State Agency. Upon request, the company will provide a list of those whom auditing services were provided.
2. The company follows Generally Accepted Accounting Principles.
3. The company has undergone a peer review within the last 3 years.
4. The company certifies that it has no outstanding actions with the State Board of Accountancy.
5. The company is familiar with the CALSTARS accounting program.
6. The company is able to perform the tasks requested in the required time stated.

### **REQUIRED FORMAT FOR A BID**

The documents in the Administrative Response (Volume 1, see below) and the Cost Bid (Volume 2, see below) constitute your Bid. The Cost Bid must be submitted in a separately sealed and labeled envelope.

### **NUMBER OF COPIES**

Bidders must submit the original and two copies of Volume 1 and Volume 2.

Bidders must also submit electronic files of the Bid on [CD-ROM diskette](#) along with the paper submittal. Electronic files must be in Microsoft Word XP (.doc format) and Excel Office Suite formats. Electronic files submitted via e-mail will not be accepted.

## **IV. BID FORMAT, REQUIRED DOCUMENTS, AND DELIVERY CONTINUED**

### **PACKAGING AND LABELING**

The original and copies of each volume must be labeled "Invitation for Bids Revenue Bond Accounting & Auditing Services," and include the title of the Bid and the appropriate volume number:

Volume 1 – Administrative Response

Volume 2 – Cost Bid Forms

Include the following label information and deliver your Bid, in a sealed package:

Person's Name, Phone # Bidder's Name Street Address City, State, Zip Code FAX #	IFB 600-10-609 Contracts Office, MS-18 California Energy Commission 1516 Ninth Street, 1st Floor Sacramento, California 95814
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### **PREFERRED METHOD FOR DELIVERY**

A Bidder may deliver a Bid by:

- U. S. Mail
- Personally
- Courier service

Bids must be delivered no later than 3:00 p.m., to the Energy Commission Contracts Office during normal business hours and prior to the deadline specified in this IFB (Section I). In accordance with Public Contract Code 10341, Bids received after the specified date and time are considered late and will not be accepted. There are no exceptions to this law. Postmark dates of mailing, E-mail and facsimile (FAX) transmissions are not acceptable in whole or in part, under any circumstances.

### **ORGANIZE YOUR BID AS FOLLOWS:**

#### **VOLUME 1, Administrative Response**

Bidder Checklist	Attachment 1
Bidder Certification	Attachment 2
Contractor Status Form	Attachment 3
Darfur Contracting Act Form	Attachment 4
Small Business Certification	If applicable
Completed Disabled Veteran Business Enterprise form	Attachment 5.3
Bidder Declaration form GSPD-05-105	Attachment 5.4
Contractor Certification Clauses	Attachment 6

#### IV. BID FORMAT, REQUIRED DOCUMENTS, AND DELIVERY CONTINUED

##### VOLUME 2 – Cost Bid (Sealed Separately from Volume 1)

###### Budget Forms

Task Summary	Attachment 7, Attachment B-1
Category Summary	Attachment 7, Attachment B-2
Prime Hourly Rates	Attachment 7, Attachment B-3
Hourly Rates for each Subcontractor	Attachment 7, Attachment B-3a-z
Prime Indirect Rates	Attachment 7, Attachment B-4
Indirect Rates for each Subcontractor	Attachment 7, Attachment B-4a-z
Direct Operating Costs	Attachment 7, Attachment B-5

The Contractor must submit information on all of the attached budget forms, B-1 through B-5, and this will be deemed the equivalent of a formal Bid submission.

Detailed instructions for completing these forms are included at the beginning of Attachment 7.

Rates and personnel shown must reflect rates and personnel you would charge if you were chosen as the contractor for this IFB. The salaries, rates, and other costs entered on these forms become a part of the final contract. The entire term of the contract and projected rate increases must be considered when preparing the budget. The rates bid are considered capped and shall not change during the term of the contract. The Contractor shall only be reimbursed for their actual rates up to these rate caps. The hourly rates provided in all B-3s shall be unloaded (before fringe benefits, overheads, general & administrative (G&A) or profit).

The award(s) shall be made to the Bidder with the lowest total dollar amount on Attachment 7, Attachment B-1 Task Summary. All other budget forms are required because they will be used for the contract prepared with the winning Bidder.

**NOTE:** The information provided in these forms will not be kept confidential.



## **V. Administration**

### **IFB DEFINED**

The competitive method used for this procurement of services is an Invitation For Bids (IFB). A Bid submitted in response to this IFB will be opened and read publicly. The Energy Commission will contract with the Bidder who provides the lowest responsible Bid, and satisfies the minimum requirements.

### **DEFINITION OF KEY WORDS**

Important definitions for this IFB are presented below:

<b>Word/Term</b>	<b>Definition</b>
State	State of California
DGS	Department of General Services
Energy Commission	California Energy Commission
IFB	Invitation for Bid, this entire document
Bidder	Respondent to this IFB
CCM	Commission Contract Manager
Bid	The Administrative Response and Cost Bid together
DVBE	Disabled Veteran Business Enterprises

### **COST OF DEVELOPING BID**

The Bidder is responsible for the cost of developing a Bid, and this cost cannot be charged to the State.

### **PRINTING SERVICES**

Per Management Memo 07-06, State Agencies must procure printing services through the Office of State Publishing (OSP). Bidders shall not include printing services in their Bids.

### **CONFIDENTIAL INFORMATION**

The Commission will not accept or retain any Bids that are marked confidential in their entirety and Bidders are strongly discouraged from requesting confidential treatment for any of the information contained in a submittal.

### **DARFUR CONTRACTING ACT OF 2008**

Effective January 1, 2009, all solicitations must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code sections 10475, *et seq.*; Stats. 2008, Ch. 272) The Act was passed by the California Legislature and signed into law

## V. ADMINISTRATION CONTINUED

by the Governor to preclude State agencies generally from contracting with “scrutinized” companies that do business in the African nation of Sudan (of which the Darfur region is a part), for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a)).

Therefore, Public Contract Code section 10478 (a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a “scrutinized” company when it submits a bid or proposal to a State agency. (See # 1 on Attachment 4)

A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from the Department of General Services (DGS) according to the criteria set forth in Public Contract Code section 10477(b). (See # 2 on Attachment 4)

### **DISABLED VETERAN BUSINESS ENTERPRISES (DVBE) COMPLIANCE REQUIREMENTS**

The Disabled Veteran Business Enterprise (DVBE) Program has two inter-related aspects:

**Participation Goals:** This IFB is subject to a mandatory participation goal of three percent (3%) certified California Disabled Veteran Business Enterprise (DVBE) as set forth in Public Contract Code Section 10115 et seq.

*And,*

**Incentive:** The DVBE Incentive Program gives a contractor an opportunity to improve their Bid status based on the efforts attained from the DVBE Participation Program.

More information regarding DVBE and Small Business is located in Attachments 5.1 through 5.4.

### **IFB CANCELLATION AND AMENDMENTS**

If it is in the State’s best interest, the Energy Commission reserves the right to do any of the following:

- Cancel this IFB;
- Amend this IFB as needed; or
- Reject any or all Bids received in response to this IFB

If the IFB is amended, the Energy Commission will send an addendum to all parties who requested the IFB and will also post it on the Energy Commission’s Web Site [www.energy.ca.gov/contracts](http://www.energy.ca.gov/contracts) and Department of General Services’ Web Site [http://www.bidsync.com/DPX?ac=powersearch&srchoid\\_override=307818](http://www.bidsync.com/DPX?ac=powersearch&srchoid_override=307818).

## **V. ADMINISTRATION CONTINUED**

### **ERRORS**

If a Bidder discovers any ambiguity, conflict, discrepancy, omission, or other error in the IFB, the Bidder shall immediately notify the Commission of such error in writing and request modification or clarification of the document. Modifications or clarifications will be given by written notice of all parties who requested the IFB, without divulging the source of the request for clarification. The Commission shall not be responsible for failure to correct errors.

### **MODIFYING OR WITHDRAWAL OF BID**

A Bidder may, by letter to the Contact Person at the Energy Commission, withdraw or modify a submitted Bid before the deadline to submit Bids. Bids cannot be changed after that date and time. A Bid cannot be "timed" to expire on a specific date. For example, a statement such as the following is non-responsive to the IFB: "This cost estimate is valid for 60 days."

### **IMMATERIAL DEFECT**

The Energy Commission may waive any immaterial defect or deviation contained in a Bid. The Energy Commission's waiver shall in no way modify the Bid or excuse the successful Bidder from full compliance.

### **DISPOSITION OF BIDDER'S DOCUMENTS**

On the Notice of Proposed Award posting date all Bids and related material submitted in response to this IFB become a part of the property of the State and public record. Bidders who want any work examples they submitted with their Bids returned to them shall make this request and provide either sufficient postage, or a Courier Charge Code to fund the cost of returning the examples.

### **BIDDERS' ADMONISHMENT**

This IFB contains the instructions governing the requirements for a firm quotation to be submitted by interested Bidders, the format in which the information is to be submitted, the material to be included, the requirements which must be met to be eligible for consideration, and Bidder responsibilities. Bidders must take the responsibility to carefully read the entire IFB, ask appropriate questions in a timely manner, submit all required responses in a complete manner by the required date and time, make sure that all procedures and requirements of the IFB are followed and appropriately addressed, and carefully reread the entire IFB before submitting a Bid.

## **GROUND TO REJECT A BID**

### **A Bid shall be rejected if:**

- It is received after the exact time and date set for receipt of Bids pursuant to Public Contract Code, Section 10341.
- It is considered non-responsive to the California Disabled Veteran Business Enterprise participation requirements.
- It is lacking a properly executed Certification Clauses.
- It is lacking a properly executed Darfur Contracting Act.
- It contains false or intentionally misleading statements or references which do not support an attribute or condition contended by the Bidder.
- The Bid is intended to erroneously and fallaciously mislead the State in its evaluation of the Bid and the attribute, condition, or capability is a requirement of this IFB.
- There is a conflict of interest as contained in Public Contract Code Sections 10410-10411 and/or 10365.5.
- It contains confidential information.
- The budget forms are not filled out completely.

### **A Bid may be rejected if:**

- It is not prepared in the mandatory format described.
- The charges are computed incorrectly or it is unsigned.
- The firm or individual has submitted multiple Bids.
- It does not literally comply or contains caveats that conflict with the IFB and the variation or deviation is not material, or it is otherwise non-responsive.

## **PROTEST PROCEDURES**

A Bidder may file a protest against the proposed awarding of a contract. Once a protest has been filed, contracts will not be awarded until either the protest is withdrawn, or the Commission cancels the IFB, or the Department of General Services decides the matter.

Please note the following:

- Protests are limited to the grounds contained in the California Public Contract Code Section 10345.
- During the five working days that the Notice of Proposed Award (NOPA) is posted, protests must be filed with the DGS Legal Office and the Commission Contracts Office.
- Within five days after filing the protest, the protesting Bidder must file with the DGS and the Commission Contracts Office a full and complete written statement specifying the grounds for the protest.
- If the protest is not withdrawn or the solicitation is not canceled, DGS will decide the matter. There may be a formal hearing conducted by a DGS hearing officer or there may be briefs prepared by the Bidder and the Commission for the DGS hearing officer consideration.

## **V. ADMINISTRATION CONTINUED**

### **AGREEMENT REQUIREMENTS**

The content of this IFB shall be incorporated by reference into the final contract. See the sample Agreement terms and conditions included in this IFB.

### **No Contract Until Signed & Approved**

No agreement between the Commission and the successful Bidder is in effect until the contract is signed by the Contractor, approved at a Commission Business Meeting, and approved by the Department of General Services, if required.

### **Contract Amendment**

The contract executed as a result of this IFB will be able to be amended by mutual consent of the Commission and the Contractor. The contract may require amendment as a result of project review, changes and additions, changes in project scope, or availability of funding.